

Nov. 25th Minutes : Facilitation of Community Choices Committee

The Committee met at the Bangs Center. The meeting was called to order at 7:02 PM

Members Present, Stan Gawle, Irvin Rhodes , Richard Spurgin , Alison Donta- Venman , Martha Hanner, Joan Golowich , Katherine Vorwerk Feldman and Bob Saul

Members Absent : Isaac Ben-Ezra, Jerry Jolly

Others Present : John Musante, Larry Kelly and Stephanie O'Keefe

Approval of minutes :

On a motion by Katherine Vorwerk Feldman and a second by Rich Spurgin, the draft minutes of Nov.18, 2008 meeting were approved as submitted.

On a motion by Rich Spurgin and a second by Martha Hanner, the draft minutes of the Nov. 24, 2008 meeting were approved with the following changes: Under calendar heading, after meeting add on Nov. 10,2008 ; under payment in lieu of taxes motion, strike schools and replace with institutions.

Review of Summary and Recommendations:

Bob reviewed some of the changes in the summary and recommendation sections ;

1. The budget gap for the next 5 years is of such magnitude that substantial cutbacks, restructuring, and revenue increases, in some form, will be required. The committee agreed to revert to the old wording.
2. We recommend that if an override is put forward, a menu override approach be used to allow voters a choice of where to direct the revenues. The committee agreed with inserting the following: We recommend that if an override is put forward,
3. Additionally, the Committee recommends that town officials seek legislation to require that the Campus Center Hotel at the University be subject to the local option lodging tax. This wording was inserted in the meals and lodging tax section rather than as a separate bullet recommendation and agreed to by the committee.
4. In the spirit of neutrality and mutual cooperation, the Committee also recommends that an independent cost accounting firm be asked to determine the cost of delivering specific services to these institutions, the cost of this accounting to be shared by the town and the institutions.

MOTION: The committee voted 6-1-1 the following substitute language: The committee also recommended that our elected officials consider hiring an independent cost accounting firm to determine the cost of delivering specific services to these institutions so that such costs can serve as a guide in determining equitable financial contributions.

5. *The Committee sees the need to hold personnel costs to a rate of growth in line with projected revenues.* Personnel costs accounted for 86% of Amherst's spending in FY 09. The public sector is labor-intensive, so it is not surprising that employee compensation and other personnel-related costs make up most of the town's budget. Finding a way to limit the growth in personnel-related costs to a sustainable rate is therefore essential to the overall

fiscal stability of the town. Once the FY2010 budget is brought into balance, the town and the schools should each manage their personnel costs so that the combination of salaries, employee health benefits, and staffing levels grow at a sustainable rate. This can be achieved by four methods: a) continuing to make progress in achieving more cost-effective employee health insurance plan design, b) restricting future COLAs, c) reducing staffing, and d) some combination of the previous three.

MOTION: On a motion by Bob and a second by Joan, the committee voted unanimously to strike the words Once the FY2010 budget is brought into balance through some combination of efficiency measures, service cuts, and new revenues, the

6. *The Committee is concerned about the future pension and retiree health care liabilities.* Unless there is State legislation to mitigate the obligation to fully fund these trust funds by 2028, the Town faces increases of several million dollars annually in pension and retiree healthcare contributions, as described in our Report.

MOTION: On a motion by Rich and a second by Alison, the committee voted unanimously to substitute the following language:

The committee recommends that our elected officials work to develop a plan to reduce the Town's unfunded liabilities for pensions and retiree health care. Payments for pensions and retiree health care already consume 8 % of total expenditures. These costs are projected to rise quickly over the next 5 years. Any solution to Amherst's long-run budget problems must include a plan to manage these costs.

7. The Committee discussed the mini-recommendations that Alison had tied together in a text format using budget cutting recommendations that were listed by some of the responders.

Some committee members questioned the lateness of the materials being furnished and the wisdom of making specific recommendations. Alison responded that she had requested that the issue of specific recommendations in a Nov. 11th e-mail to Martha. She also stated that if we are making specific recommendation to possibly re-allocate capital funds, then it would be appropriate to list other recommendations.

MOTION: On a motion by Martha and a second by Katherine, the committee voted 3 in favor and 5 opposed to leave the open ended comments speak for themselves.
Motion not adopted

MOTION: On a motion by Alison and a second by Irv, the committee voted to authorize Bob and Rich to reduce these mini-recommendations and embed them in Chapter 6 removing all reference to judgements and recommendations. Motion passed by a 6-2 vote.

MOTION: On a motion by Martha and a second by Alison, the committee voted unanimously to have the edited version sent to all committee members and allow for the committee members to send their comments to the co-chairs.

MOTION: On a motion by Alison and a second by Irv, the committee unanimously approved the Title Page, Preface and Chapter 1 .

A committee hug led by Martha and Bob was captured on film by Stephanie for historical purposes.

Members were asked to forward acknowledgements to Martha and Bob.

A committee meeting was scheduled for a final review of the report for Monday Dec.1st at 9:00 AM , place to be announced.

Meeting adjourned at 9:08 PM.
